

PART III: EXHIBITS

State Timber Sale Contract
No. 341-07-26
Lucky Logger

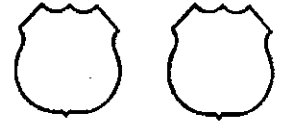
EXHIBIT B

Page 1 of 3
629-Form 341-203
Revised 06/97

OREGON DEPARTMENT OF FORESTRY

TIMBER SALE OPERATIONS PLAN

(See Page 2 for instructions)



Date Received by STATE: _____

(5) State Brand Information (complete):

(1) Contract No.: 341-07-26

(2) Sale Name: Lucky Logger

(3) Contract Expiration Date: September 30, 2008

Project Completion Dates: _____

(4) Purchaser: _____

(6) Purchaser Representatives:

Projects: _____

Phone: _____

Cell/Other

Phone: _____

Home: _____

Projects: _____

Phone: _____

Cell/Other

Phone: _____

Home: _____

Projects: _____

Phone: _____

Cell/Other

Phone: _____

Home: _____

Projects: _____

Phone: _____

Cell/Other

Phone: _____

Home: _____

Logging: _____

Phone: _____

Cell/Other

Phone: _____

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Logging: _____

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Logging: _____

Phone: _____

Cell/Other

Phone: _____

Home: _____

Logging: _____

Phone: _____

Cell/Other

Phone: _____

Home: _____

(7) State Representatives:

Projects: _____

Phone: _____

Cell/Other

Phone: _____

Home: _____

Logging: _____

Phone: _____

Cell/Other

Phone: _____

Home: _____

(8) Name of Subcontractors & Starting Dates:

Projects: No(s) _____ - _____

Date: _____

Phone: _____

No(s) _____ - _____

Date: _____

Phone: _____

No(s) _____ - _____

Date: _____

Phone: _____

No(s) _____ - _____

Date: _____

Phone: _____

Logging: Felling _____

Date: _____

Phone: _____

Yarding: _____

Date: _____

Phone: _____

(9) Comments: _____

(10) Operations Map: Attach a copy of timber sale Exhibit A or other suitable map which plainly shows the items listed on the instruction sheet.

EXHIBIT B
INSTRUCTION SHEET FOR OPERATIONS PLAN

SUBMIT ONE COPY OF PLAN TO STATE

Operations shall be limited to the work shown in the plan until a revised plan or supplemental plan is submitted covering additional work. Compliance with this plan is not in lieu of compliance with any federal requirements related to the federal Endangered Species Act. If STATE has prepared a required Forest Practices Act (FPA) "Written Plan" for operations, PURCHASER shall comply with all provisions of the Written Plan.

Item No. (from Page 1)

- (5) All sales require you to use a brand furnished by STATE. If the State brand has not been assigned when the plan is submitted, it will be furnished and assigned later. Complete drawing. If more than one brand is assigned to the sale, complete both drawings.
- (6) The contract requires you to have a designated representative available on the sale area or work location who is authorized to receive in your behalf any notice or instruction given by STATE and to take action in regard to performance under the contract. If logging and project work is widely separated, a representative is required for each.
- (7) The STATE representative will be designated when your plan is approved and is the person who will inspect and issue instructions regarding performance.
- (8) Show names of subcontractors to be used for any or all phases of the operations. If subcontractors are not known, or are changed later, give notification to the STATE representative prior to commencement of work by subcontractor.

Show projected dates for commencement of both projects and logging. If projected dates need to be changed at a later date, notification must be given to the STATE representative by supplemental plan or otherwise, prior to commencement of such operations.

- (10) The STATE representative will furnish extra copies of Exhibit A of the contract for your use in preparing the operations map. The map shall use the following legend and show:
 - 1. Landing locations, approximate setting boundaries, and probable sequence of logging the settings. Number the settings in sequence.
 - 2. Locations of spur roads planned for construction, other than those required by the timber sale contract. Provide spur road specifications.
 - 3. Location of proposed tractor yarding roads. Show if and how marked on the ground.
 - 4. Location of temporary stream crossings.
 - 5. List the sequence of performing project work.
 - 6. Location of rock sources - attach pit development plans.



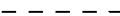
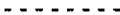
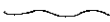

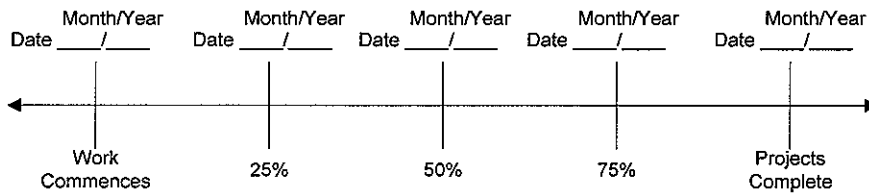
-  Cable landing, with numbers for sequence.
-  Tractor landing with alphabetical sequence.
-  Approximate setting boundary.
-  Spur truck roads.
-  Tractor yarding roads.
-  Temporary stream crossings.

EXHIBIT B
OPERATIONS PLAN

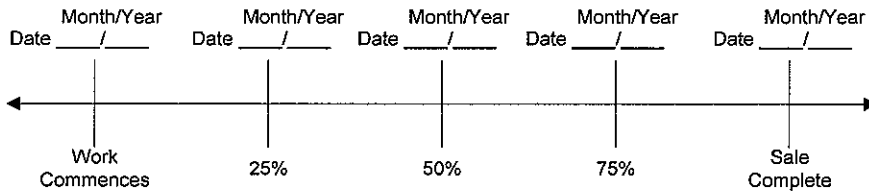
Completion Timeline

Indicate on the appropriate timeline below, the dates by which you plan to complete the work as required under this contract. The purpose of this section is to develop a plan that will ensure you complete the work as required, and meet the interim completion date(s) and contract expiration date. This plan is incorporated and made a part of the contract. When, in the opinion of STATE, operations are not commencing in a manner that meets the intent of this plan, you may be placed in violation of contract and your operations suspended until an amended plan is submitted and approved by STATE.

Projects



Harvest & Other Requirements



The Federal Endangered Species Act (ESA) prohibits a person from taking any federally listed threatened or endangered species. Taking under the federal ESA may include alteration of habitat. STATE's approval of this plan does not certify that PURCHASER's operation under the plan is lawful under the federal ESA. As provided in the timber sale contract, PURCHASERS must comply with all applicable state, federal, and local laws.

PURCHASER's compliance with this plan is not in lieu of compliance with any federal requirements related to the federal Endangered Species Act.

APPROVED: Date: _____

SUBMITTED BY:
PURCHASER

STATE OF OREGON - DEPARTMENT OF FORESTRY

Title _____

Title _____

Original: Salem
cc: District File
Purchaser

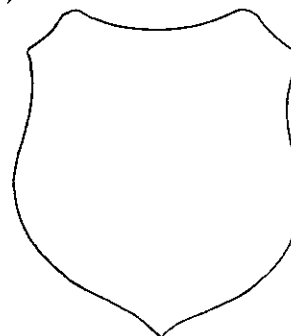
EXHIBIT C

SCALING INSTRUCTIONS -- LOCATION APPROVAL -- BRAND INFORMATION

- (1) ORIGINAL REGISTRATION Date _____
 REVISION NUMBER _____ Date _____
 CANCELLATION Date _____
- (2) TO: _____
 (Third Party Scaling Organization)
- (3) FROM: Klamath-Lake (10) Phone 541-883-5681
 (State Forestry District)
 Address 3200 DeLap Rd., Klamath Falls, OR 97601
- (4) PURCHASER: _____
 Address _____

- (12) SALE NAME Lucky Logger
 COUNTY Klamath
- (13) STATE CONTRACT NUMBER 341-07-26
- (14) SCALE: westside eastside cubic foot
- (15) STATE BRAND REGISTRATION NUMBER _____
- (16) BUREAU BRAND CODE NUMBER _____
- (17) STATE BRAND INFORMATION:

(COMPLETE) ↓



MINIMUM SCALING SPECIFICATIONS			CLASS		
SPECIES	SCALING DIAMETER INCHES	*NET SCALE VOLUME	PER MBF	** SUM	SUB
Ponderosa Pine	8.0"	20	X		
Other Conifers	6.0"	20	X		
Ponderosa Pine	Less than 8"	Less than 20			X
Other Conifers	Less than 6"	Less than 20			X
Utility	--	--	No Charge		

* Apply minimum volume test to whole logs over 40' Westside; 20' Eastside.
 ** Sum (if indicated): see instructions and explain in Item (20).

- (6) WESTSIDE SCALE: YES NO
 Actual taper all logs over 40' scaling length
- (7) EASTSIDE SCALE: YES NO
 *Actual taper butt logs over 40' scaling length
- (8) PENCIL BUCK back to Minimum Scaling Diameter:
 Ponderosa Pine 8" / Other Conifers 6" YES NO
- (9) ADD-BACK VOLUME -- YES NO
 Deductions due to delay

- (18) PAINT REQUIRED: YES
 COLOR Orange

(19) SPECIAL SCALES PEELABLE CULL (all species) UTILITY/PULP (all species) NO DEDUCTIONS ALLOWED FOR MECHANICAL DAMAGE OTHER: _____ OTHER: _____
--

(10) APPROVED SCALING LOCATIONS	Species	Yard	Truck

- (20) REMARKS: A taper rule of 1 inch in diameter for every 4 feet in length shall be used for pencil bucking if scaled on the truck.

Operator's Name (Optional inclusion by District): _____

- (11) NOTICE OF CANCELLATION OF BRAND:
 Effective Date: _____

- (21) SIGNATURES:

 Purchaser or Authorized Representative Date

 State Forester Representative Date

State Forester's Representative

Notify the District within one hour when branding or painting is inadequate for quick identification, the receipts are missing, not correctly or completely filled out, and/or when logs presented for scaling are impossible to scale accurately.

Distribution: ORIGINAL: Salem / COPIES: TPSO (4), Purchaser, Operator, District, Mgmt. Unit

EXHIBIT C

INSTRUCTIONS FOR FORM 343-307 (rev. 5/01)

- (1) Check appropriate box. REVISION NUMBER requires comments. CANCELLATION requires Item (21). Complete date.
- (2) Designate Third Party Scaling Organization (TPSO). Send 4 copies to TPSO, 1 to purchaser, 1 to Salem, and keep such copies as to district needs.
- (3) State District office, address and phone.
- (4) Enter Purchaser's business name and address as it appears on the Contract.
- (5) Minimum Scaling Specifications. Review Section 2040 or 2045, "Log Removal," of the Contract. Species, or combined species can be separate entries. Information serves as a basis for scaling (see also Items (13) thru (17)), and is required to show existence on the sale. **PerM** (per MBF). **SUM** (lump sum material). **SUB** (submerchantable material. SUB, as used by the State, references that material containing at least 10 bf (net) but less than the lower merchantable net volume limit or grade requirements for other merchantable (PerM) entries. PerM, SUM, and Sub must be indicated by checking the appropriate column. Species with the same specifications and value are combined into one entry. PerM and Sub require scaling therefore complete specifications. SUM need not be scaled, hence no specifications. Loads containing only SUM are to be ticketed if so instructed in Item (19). Mixed loads of SUM, PERM and/or subspecies will always be scaled.
- (6) Westside -- actual taper segment scale. Check Yes or No. Special Service Rules on file with TPSO. See: Segment Scaling and Grading of Long Logs -- All Species -- State Forestry Department Scaling Practices (Westside).
- (7) Eastside -- actual taper/taper table segment scale. Special Service Rules on file with TPSO. See: Segment Scaling and Grading of Long Logs -- All Species -- State Forestry Department Scaling Practices (Eastside). Items with * follow U.S. Forest Service Eastside rules.
- (8) Pencil Buck. Check NO if a westside sale, optional for eastside sales.
- (9) Add-Back Volume. Add-Back is normally checked YES. Scaler records deductions (sap rot, weather checks, etc.) caused by an abnormal delay in removal. Enter separately on scale ticket. TPSO provides State with summaries that include this as a net volume by species. Salvage sales and certain other circumstances may require that "NO" be checked.
- (10) Show scaling locations only applicable to TPSO. Not necessary to list markets. If all species are scaled at same location, enter "ALL."
- (11) When logging is complete, recall branding hammers, date and sign where indicated, check CANCELLATION box at top of form, and send to TPSO.
- (12) Enter sale name and county.
- (13) Enter sale Contract number.
- (14) Check Westside or Eastside log scale. Cubic foot refers to Northwest Log Rules Cubic Foot Scale.
- (15) Oregon Forest Products Brand Registry Number (optional).
- (16) DO NOT USE -- TPSO will fill in when applicable.
- (17) Show one brand only. Complete drawing. If more than one brand is assigned to the sale, (1) make separate form for each brand, and (2) on each form, explain and show other brand(s) under REMARKS, Item 19.
- (18) Check YES and designate orange.
- (19) Special Scales. These are the Special Scales that will be applied. If "Other" is indicated, please describe. Give comments in Item (19).
- (20) Use this space to designate weight conversion factors, or any other explanations to clarify scaling requirements. If additional scaling locations are approved, prepare another form showing all (old and new) locations. Check REVISION box at top of form and explain under remarks. Route as indicated.
- (21) Require purchaser to sign and date completed form.

EXHIBIT D
FOREST ROAD SPECIFICATIONS

SUBGRADE WIDTH	SURFACED WIDTH	POINT TO POINT	DRAINAGE
14 feet	12 feet	A to E	Crown

CLEARING. This work shall consist of clearing, removing, and disposing of all trees, snags, down timber, brush, surface objects, and protruding obstructions within the clearing limits.

Where clearing limits have not been marked, the clearing limits shall extend 10 feet back of the top of the cutslope and 5 feet out from the toe of the fill slope, or as directed by STATE. Clearing debris shall not be placed or permitted to remain in or under any road embankment sections. Clearing debris shall not be left lodged against standing trees.

All danger trees, leaners, and Snags outside the clearing limits which could fall and hit the road shall be felled.

GRUBBING. This work shall consist of the removal or digging out of stumps and protruding objects.

All stumps shall be completely removed within the limits of required grubbing. Stumps overhanging cutslopes shall be removed. Grubbing debris shall not be placed or permitted to remain in or under any road embankment sections. Grubbing debris shall not be left lodged against standing trees. Grubbing classifications are as follows:

Improvements and reconstructions - 2 feet back from the shoulder of the subgrade or ditch, whichever is widest, or as marked in the field.

EXHIBIT D

ROAD IMPROVEMENT INSTRUCTIONS

CLEARING AND GRUBBING DISPOSAL. Scatter through openings in the timber outside of the cleared right-of-way, except areas where end-haul is required.

EXCAVATION. Excavation and grading shall not be done when weather and/or ground conditions are such that damage will result to existing subgrade or cause excessive erosion.

All suitable excavated material shall be used where possible for the formation of fills, shoulders, and drainage structure backfills. Embankment materials shall be free of woody debris, brush, muck, sod, frozen material, and other deleterious materials.

Drainage Ditches: Maintain existing ditches by removing rock, soil, wood, and other materials.

These ditches will be "V" shaped, approximately 1 foot wide, with a depth of approximately ½ foot below the subgrade.

Backslopes shall not be undercut by removal operations.

Suitable material removed from the drainage ditch shall be blended into the existing road surface.

Woody debris and rock in excess of 1 foot in length and 3 inches in diameter shall be removed from the ditches and places outside the roadway. Concentrations of any size material that may block ditches or culverts shall also be removed.

Lead Off Ditches:

Construct and / or improve lead off ditches as designated in the field.

Lead off ditches shall be shaped to drain away from the road profile.

Blade and Shape Existing Road Surface: The existing road surface, including shoulders and turnouts, shall be bladed and shaped to produce a surface which is uniform, consistent to grade, and crowned to a specification of 3/8 inch to ½ inch per foot of width.

Outslope surface where a ditch is not applicable, as directed by STATE.

Surfacing material shall be thoroughly loosened to a depth of potholes and corrugations.

PURCHASER shall apply water during blading when sufficient soil moisture is not present to prevent segregation.

PURCHASER shall retain the surfacing on the roadbed and provide a thorough mixing of materials within the completed surface width.

EXHIBIT E
 ROAD SURFACING

TYPE OF ROCK	SIZE OF ROCK	COMPACTED DEPTH	POINT TO POINT	APPROX. TOTAL TRUCK MEASURE VOLUME
Crushed	1 1/2" - 0	3"	B to C	116 CY
Crushed	1 1/2" - 0	3"	D to E	72 CY

Roads shall be uniformly graded and approved by STATE prior to rocking.

CRUSHED ROCK SPECIFICATIONS

Grading Requirements

<u>For 1 1/2"-0"</u>	Passing	2"	sieve retained on 1 1/2" sieve	0-10%
	Passing	1 1/2"	sieve retained on 3/4" sieve	10-50%
	Passing	3/4"	sieve retained on 1/4" sieve	20-60%
	Passing	1/4"	sieve	10-30%

The referenced sieve shall have square openings as set forth in AASHTO M 92, Woven Cloth Series. The determinations of size and gradings shall be as set forth in AASHTO T 27.

EXHIBIT E
ROCK ACCOUNTABILITY

The rock shall meet the quality and size specifications in Exhibit E. A sample of the rock shall be supplied to STATE for testing and approval prior to rocking. PURCHASER shall obtain subgrade approval from STATE prior to rocking. Rocking shall be limited to periods when weather conditions are acceptable to STATE and when sediments will not enter streams.

Rock accountability shall be determined by the following methods, as directed by STATE. STATE shall be given 24 hours' notice prior to rocking.

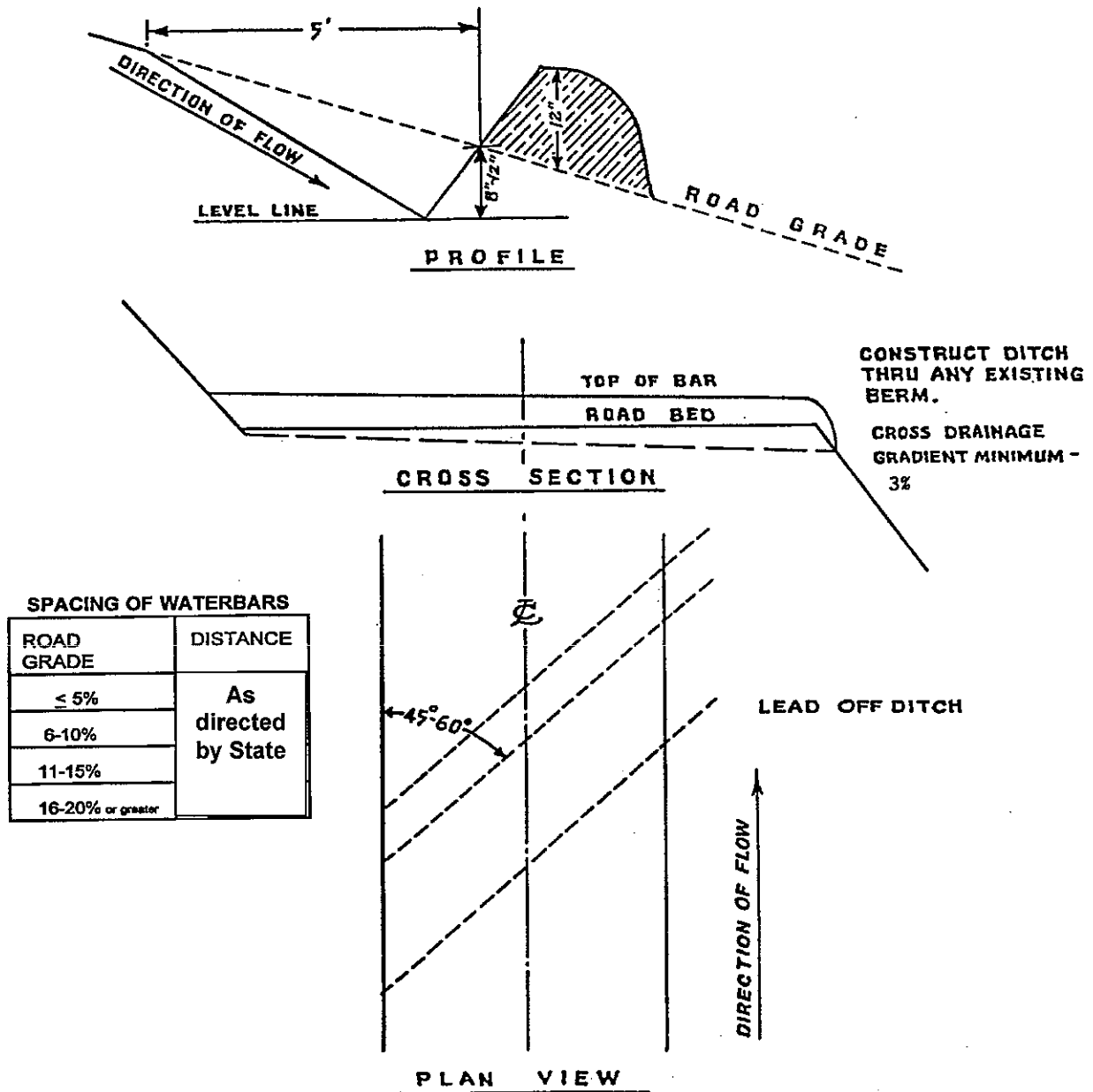
Depth Measurement. Rock shall be spread and compacted according to the depths specified in Exhibit E. Truck measure volumes are given, but shall not limit the amount of rock spread.

Depth shall be determined in the most compacted area of the surface cross section. If additional rock is required because of insufficient depth, it shall be added by truck measure to those areas that were slighted. The conversion from compacted yardage to truck yardage is 1.3 multiplied by the compacted yardage equals truck yardage.

The depth of compacted aggregates shall not vary more than 1 inch from the depth specified in Exhibit E. The average depth for each road segment shall be the specified depth or greater.

Load Records. Notify STATE before spreading the rock and maintain a record of all rock delivered for spreading. Make the record available for STATE inspection. A report listing the amount of rock delivered the prior month must be submitted no later than the 15th of each month.

EXHIBIT F
 WATERBAR SPECIFICATIONS



**WATERBAR SPECIFICATIONS
 FOR CROSS DITCHING #298**

State Timber Sale Contract
No. 341-07-26
Lucky Logger

EXHIBIT G

WATERSHED REGULATIONS

PURCHASER shall take precautions necessary to protect the watershed from damage and to prevent pollution to the water supply. Precautions shall include, but not be limited to, the following regulations.

Laws, Rules, and Regulations. Comply with Oregon laws and with the rules and regulations of the Oregon State Board of Health relative to protection of watersheds and sanitation of public water supply.

Debris in Streams. Prevent, insofar as possible, logs, chunks, and other debris, resulting from logging and road building Operations, from being deposited in streams. If such material should become deposited in streams, immediately remove the material to restore normal stream flow, using necessary care to prevent unnecessary damage to the stream channel and banks.

General Sanitary Conditions. Do not create any conditions which may permit breeding of flies or mosquitoes. Machinery, equipment, soil, and fuel storage shall not be located near streams. Waste oil shall be removed from the watershed. Camping shall not be permitted.